

# Summary of Relevant Transportation Legislation

State of Washington

1971-1998

## PRELIMINARY DRAFT FOR DISCUSSION ONLY

This preliminary draft discussion paper is a work product developed by the consulting team for review and discussion by the Blue Ribbon Commission on Transportation. The contents are intended to provide the Commission members with factual background information and a balanced set of policy alternatives, including the pros and cons of these alternatives. This paper is one of a series and should be reviewed in the context of the entire series that, when taken together, presents a comprehensive overview of the state's transportation system.

## ADMINISTRATIVE ISSUES

Legislation listed under this heading corresponds to the issues under review by the Administration Committee of the Blue Ribbon Commission on Transportation. The committee's charter states in part that "the Administration Committee will recommend improvements to key structures, policies, and practices of governments, businesses and labor that contribute to cost-efficient and effective transportation solutions."

### **SB 2924 - Department of Transportation created (1977-enacted)**

Created the Washington State Department of Transportation (WSDOT) to include the existing Highway Department, the Highway Commission, the Toll Bridge Authority, the Urban Arterial Board, The Aeronautics Commission, the Director of Aeronautics, and the Canal Commission. The Transportation Commission would be composed of seven members, chosen by the Governor and confirmed by the Senate. The Secretary will be chosen by the Commission from a list of three names submitted by the Governor. The Secretary may be removed by the Commission for cause.

### **SB 5028 - Transportation Commission made advisory (1987-not enacted)**

Transportation Commission made advisory in WSDOT reorganization. The WSDOT secretary would have been appointed by the Governor instead of the Transportation Commission.

### **HB 2610 - Regional Transit Authority (RTA) created (1992-enacted)**

RTA created ( King, Pierce, and Snohomish counties) and charged with developing a High Capacity Transit System.

**HB 2848 - Reducing cost overruns on transportation projects (1992-not enacted)**

Reduce cost overruns on transportation projects by authorizing WSDOT to perform more comprehensive preliminary design work on significant transportation projects before seeking appropriation for construction.

*These ideas were eventually incorporated into WSDOT. They resulted in more thorough scoping of construction projects as well as more preliminary engineering work to avoid change orders during construction.*

**SB 5572 - Assessing environmental costs of transportation projects (1993-enacted)**

Directed WSDOT to evaluate a sample of construction projects to assess environmental costs of such projects. Recommendations to be delivered to the Legislative Transportation Committee (LTC) regarding 1) current practice of simultaneously appropriating design, right of way, and construction dollars for a project, and 2) identification of reasonable thresholds for environmental costs.

**SB 5742 - Relieving select transportation facilities from local permit requirements (1993-not enacted).**

Provided a mechanism for exempting the WSDOT from the permit process altogether upon completion of a public hearing, LTC recommendation to the Governor and Governor approval of a waiver.

Created a multi-disciplinary body to develop environmental policies and procedures to guide construction and maintenance programs at WSDOT, subject to Transportation Commission approval.

Provided for earlier and more extensive review of projects. Established a mechanism for a pre-approval permit process by establishing a conditional permit. If the conditional permit was denied by the agency or government unit with authority, all project work ceased.

**SB 6466 - Streamlining WSDOT environmental permit processes (1994-enacted)**

Incorporated environmental considerations throughout the entire WSDOT construction process from earliest planning through construction. WSDOT and environmental regulatory agencies were to work together to avoid significant changes, and additional costs, in transportation projects.

The bill also required counties planning under GMA to establish a collaborative process to review and coordinate state and local permits for all transportation projects that cross more than one city or county boundary. The process included establishing a mechanism among affected cities and counties to designate a permit coordinating agency.

**SB 6252 - Immunity for conformance to design standards (1994-not enacted)**

Would have granted the state and its political subdivisions immunity from civil liability for damages caused by or related to the planning or design for construction or improvement of a

highway, road, street or other public facility if the plan or design was prepared in substantial conformance with the engineering or design standards in effect at the time of construction.

### **SB 5313 - Advanced environmental mitigation revolving account (1997-enacted)**

Established the advanced environmental mitigation revolving account. Environmental mitigation sites, needed for transportation projects in the future, would be purchased and developed with moneys from this account. When construction of a project requiring use of the mitigation site begins, the account would be replenished using funds appropriated for the project.

### **SB 6061 - Performance audits of transportation agencies (1997-enacted)**

The 1997 budget bill (SB 6061) included a request for performance audits of Washington state transportation agencies.

*A “Highway and Rail” audit and a “Washington State Ferries” audit were completed in 1998.*

### **SB 6456 - WSDOT performance budgeting (budget bill) (1998-enacted)**

WSDOT, the Department of Licensing (DOL), and the Washington State Patrol (WSP), were required to implement a performance budgeting process “that provides a measurable link between agency objectives, service levels, and budget. The agencies shall develop indicators of performance, stated in terms of expected results, to measure agencies’ progress in achieving agencies’ goals.” The agencies were required to submit a strategic plan with their budget requests that must include a six-year outlook.

### **SB 6439 - Design build transportation contracting (1998-enacted)**

WSDOT was authorized to use the design/build method of contracting for two pilot projects.

Highway design-build procedures were defined as a method of contracting under which WSDOT could contract with a single firm to both design and build transportation structures and facilities. Design-build proponents claimed the method was less costly and increased project coordination.

## **INVESTMENT STRATEGY ISSUES**

*Legislation listed under this heading corresponds to the issues under review by the Investment Strategies Committee of the Blue Ribbon Commission on Transportation. The committee’s charter states that the committee will: understand existing and emerging statewide transportation needs; recommend critical state, regional, and local transportation investments to be achieved within 20 years; review, evaluate, and recommend state, regional, and local planning and programming practices applicable to transportation investments; identify, evaluate, and recommend strategies that encourage more efficient use of transportation facilities as well as strategies that add new capacity; propose a method of recognizing and mitigating interjurisdictional impacts of transportation improvements.*

### **Road Jurisdiction Committee (RJC) Study - (1989- partially enacted)**

Authorized by the legislature in 1983, the RJC reported to the 1989 legislature. The RJC study executive summary described it as the most thorough multijurisdictional road needs and funding study ever conducted in the United States.

Two study phases: **Phase I** examined roadway jurisdiction and developed new criteria for determining jurisdiction over roads; **Phase II** provided a “realistic evaluation” of roadway needs of state, city, and county governments from 1987-2000.

**Phase I** recommendations established criteria for state highways in rural and urban areas.

**Phase II** defined “need” as roadway improvement, rehabilitation or replacement (not new construction or maintenance) and placed the shortfall of funding for total statewide roadway needs at between \$14.6 and \$19.9 billion for the 1987-2000 timeframe. Additional transportation funding was recommended to address the needs shortfall.

### **HB 2929 - Regional Transportation Planning (1990-enacted)**

Incorporated regional transportation planning into the Growth Management Act (GMA). Pursuant to federal Aid Highway Act of 1962 and 1973, urbanized areas must have an Metropolitan Planning Organization (MPO) responsible for regional transportation planning. Under 2929, cities and counties are authorized to create Regional Transportation Planning Organizations (RTPO's) to be the same as federally-mandated MPO's.

### **HB 1671 - Traffic Demand Management (TDM) (1991-enacted)**

Later modified, this bill mandated employers in eight counties with at least one hundred employees commuting between six and nine AM for twelve continuous months must implement commute trip reduction (CTR) programs to reduce the number of single occupancy vehicle (SOV) trips by their employees. Goals were set (later modified):

fifteen percent (15%) in 1995, twenty-five percent (25%) in 1997, and thirty-five (35%) in 1999.

### **HB 2553 - Commuting Incentive Demonstration Project (1992-enacted)**

The 1992 supplemental budget bill included an aggressive demonstration project to reduce single occupancy vehicle usage for District 1 WSDOT employees (now the Northwest Region) in keeping with HB 1671, the TDM bill (*see bill immediately above*).

The program had seven elements:

- transit and vanpool fare discounts ( up to \$21/month),
- vanpool driver incentives (WSDOT would pay vanpool drivers up to \$100/month),
- carpooling incentives (WSDOT would pay \$21/per month per person in a carpool provided the person carpooled 80% of their commute time).
- non-motorized commuting incentives (employees walking or biking to work would receive up to \$21/month),
- reduced cost of state vehicles used for ridesharing,
- start up funding for customized bus service,
- guaranteed ride home for non-SOV employees (on a limited basis).

**HB 1006 - Public-private transportation initiatives (1993-enacted)**

The recommendations of the 1992 interim policy plan steering committee led to HB 1006.

The bill authorized up to six demonstration projects. The projects were to be selected by WSDOT and approved by the transportation commission. The six projects were: 1) **SR 522**, increase from two lanes to four lanes, 2) **SR 520**, build a recommended alternative to the present Evergreen Point Floating Bridge, 3) **SR 16**, expand/replace the Tacoma Narrows Bridge, 4) build additional **King County park and ride lots**, 5) test **congestion pricing** in Central Puget Sound, and 6) **SR 18**, complete.

Projects were to be financed by the private sector and privately owned during construction, transferred to the state upon completion, and leased back for operation by the private entity. The state could elect private ownership during the construction and operation phase, with transfer to the state at the end of the operation phase. Operation phase may be for up to fifty years.

WSDOT could exercise its authority to assist by providing preliminary planning and design, and environmental certification. WSDOT could also provide right of way and airspace, and exercise its power of eminent domain.

The private sector would realize its return on investment by imposing user fees or tolls within the project area. Agreements between WSDOT and the private sector could also include state right of way and airspace leases that the private sector could use to develop commercial activity. All revenue from project would go to pay off investment.

Agreements with private sector must comply with state laws, specifically prevailing wage, provisions regarding displacement of state workers, ferry workers' collective bargaining, unfair labor and anti-discrimination practices.

**HB 1007 - State-wide multimodal plan (1993-enacted)**

WSDOT was required to develop a statewide multimodal plan consistent with the state Transportation Policy plan, and local, regional and high capacity transportation plans.

**HB 1928 - Consistency between regional transportation plans and countywide planning policies (1994-enacted)**

RTPO duties expanded to include developing a regional transportation strategy, developing guidelines for transportation elements of local comprehensive plans, and certifying that regional transportation plans and countywide planning policies under GMA were consistent.

RTPO's were authorized to establish level of service standards for state-owned or operated transportation facilities jointly with WSDOT.

**SB 5918 - TDM programs and employers (1994-enacted)**

Major employers were allowed to take a credit on their business and occupation (B&O) tax or public utility tax if they provide financial incentives to their employees for ridesharing in carpools with four or more persons. Major employers could take a tax credit of up to \$60 per person with a limit of \$200,000 per employer per year.

**HB 1317 - Public-private transportation initiatives law rewritten (1995-enacted)**

The 1993 public-private initiatives law was rewritten.

Public opposition to the process employed to select the demonstration projects, concern about the degree and quality of public involvement in the project development stage, and opposition to the proposed imposition by the private sector of tolls or user fees led WSDOT to terminate further consideration of the proposal on the SR 18 corridor improvements and threatened the viability of the five other projects.

Pursuant to HB 1317, agreements between WSDOT and private sector could only be implemented with support of affected communities.

WSDOT was prohibited from implementing the Puget Sound Congestion Pricing Project until the legislature reviewed the social and economic impacts of the project and gave its approval. WSDOT must develop and submit to the 1997 legislature a public involvement plan for identifying new projects and must receive legislative approval of the plan before it could proceed.

Prior to entering into agreements with private entities, WSDOT must conduct an advisory vote, in a general or special election, on the imposition of tolls or user fees to implement a selected project. (e.g., the Tacoma Narrows bridge).

Tolls and user fees could only be used to pay the private entities capital outlay costs, including project development, design and construction costs. Negotiation (between WSDOT and private sector) of other toll revenues and user fees was prohibited.

**SB 6260 - Revision of state ride share tax credit (1996-enacted)**

Under current law, employers of one hundred or more employees in the state's eight largest counties are eligible for up to fifty percent (50%) B&O or utility tax credits for financial incentives they provide to employees to commute to work in four-or-more person carpools. Annual credit is limited to \$60/employee. Companies are limited to a maximum credit of \$200,000/year and total credits are limited to \$2M/year.

This bill made all employers eligible for the tax credit, and expanded the credit to financial incentives for transit, non-motorized incentives, and carpools of two or more. (credit is less for two-person carpools). Tax credits were extended until June 30, 2000 and were limited to \$100,000 per employer per year and total credits are limited to \$1.5M/year. The state general fund was reimbursed for tax credits from the Air Pollution Control Account.

**HB 1872 - Transit agencies accountability (1997-not enacted)**

The bill would have implemented numerous recommendations from a transit evaluation conducted by the LTC during the 1996 interim. The changes largely focused on increased accountability for transit agencies to the state, and to certain performance criteria.

Included in the bill were:

- triennial performance review of transit agencies by the state auditor,
- limits on transit reserves to 200% of transit operating revenues,

- for transit agencies located in King, Pierce, Snohomish, and Kitsap counties, a requirement to reduce annual operating costs per bus hour, so that at the end of a twenty-three year period, those agencies' costs would have been lower than the median range for equivalent-sized transit agencies in the western U.S. Failing to reduce costs for each year would have resulted in the withholding of MVET distributions to those agencies,
- transit agencies would have been required to annually identify objectives and report progress to meeting those objectives,
- expanded PSRC powers to require certification of six-year transit plans for agencies within its jurisdiction in order for those agencies to receive funds from CPSPTA (Central Puget Sound Public Transportation Account).

### **HB 1513 - TDM goals modified (1997-enacted)**

The commute trip reduction (CTR) goals, first passed in 1991, reducing single occupancy vehicle trips or vehicle miles traveled as part of a traffic demand management (TDM) strategy, were revised to twenty percent (20%) reductions in 1997, twenty-five (25%) in 1999, and thirty-five (35%) in 2005.

Employers were required to make a good faith effort toward achievement of CTR goals. Public awareness campaign of CTR program was mandated.

### **HB 2615 - Freight mobility strategic investment program (1998-enacted)**

Freight mobility strategic investment program was created. Administered by a board of twelve representatives from the public and private sector, the board was to analyze freight mobility projects, identify high-priority projects, and facilitate funding commitments from non-state partners. The board was to recommend a portfolio of the highest-rated freight mobility projects to the legislature for state funding consideration.

### **HB 1487 - Level of service (LOS) standards (1998-enacted)**

Level of service is an engineering measurement commonly used in transportation to describe operational conditions in a traffic stream. A LOS standard of "A" means traffic is free flowing, while a standard of "F" means traffic is at a standstill.

The bill required local jurisdictions to include state transportation facilities in their comprehensive plans. WSDOT, in consultation with local governments, was authorized to set LOS standards for state highways and ferry routes of statewide significance.

Cities and counties planning under GMA were required to develop LOS standards for all arterials and transit routes. Determining the LOS standard established the benchmark for determining whether or not the transportation facility was adequate to support development.

## **REVENUE ISSUES**

*Legislation listed under this heading corresponds to the issues under review by the Revenue Committee of the Blue Ribbon Commission on Transportation. The committee's charter states that the committee will: evaluate existing federal, state, regional, county, city and private transportation funding mechanisms; evaluate potential federal, state, regional, county, city and*

*private transportation funding mechanisms; and make recommendations on a realistic, achievable plan for funding transportation programs, projects and services in the next 20 years.*

### **Gas tax - variable rate 1977-1983 (1977-enacted)**

In 1977, the legislature passed a “variable rate” motor fuel tax. Pursuant to the variable rate formula, the tax rate was set at a level equal to ten percent (10%) of the statewide weighted average retail sales price of motor vehicle fuel (exclusive of the state and federal taxes). However, the rate was not to fall below a statutorily rate of twelve cents per gallon or exceed a maximum rate of sixteen cents per gallon.

*Expecting the motor fuel tax rate to be sixteen cents by the 1983-85 biennium, it stood at twelve cents in 1983, and was projected to stay there throughout the biennium. Therefore, a fixed cent-per-gallon rate replaced the variable rate in 1983.*

### **HB 1301 - Toll bridges, ferry financing (1977-not enacted)**

Authorized the Toll Bridge Authority (before it was folded into WSDOT) to make a financial feasibility study of a toll bridge from Bainbridge Island to the Kitsap Peninsula as a substitute for the Seattle-Bremerton ferry.

### **House Joint Resolution (HJR) 20 - Amend 18th amendment (1977-not enacted)**

Submitted to a vote of the people a proposed state constitutional amendment permitting the motor vehicle fund (gas tax revenues) to be used to support public transportation systems.

*This HJR was not sent to the ballot. According to the Washington Secretary of State’s office, a constitutional amendment to broaden the use of the 18th amendment has never been placed on a statewide ballot in Washington.*

### **Local option gas tax - (1979-enacted)**

The legislature authorized the City of Seattle (cities over 400,000 in population) to impose a two cents per gallon tax on gasoline and diesel sold within the City of Seattle for construction of the West Seattle Bridge. The gas tax option was never used.

### **SB 3535 - Local option gas tax (1985-not enacted)**

The bill extended the 1979 local option gas tax (*see 1979 bill above*) to cities with population’s over 150,000 for construction of high-level bridge crossings (Tacoma). The bill would have allowed Tacoma to enact a two cents per gallon gas tax for construction of the Blair Waterway Bridge, and Seattle to enact the tax for construction of the First Avenue South Bridge.

### **SB 4793 - Local option gas tax (1986-not enacted)**

Authorized a temporary (1986 – June 1992) two cents per gallon gas tax for counties with a population of over 250,000 (King, Pierce, Snohomish, and Spokane) to fund projects located on a state route corridor that included a bridge.



**SB 4794 - Local option sales tax (1986-not enacted)**

Authorized a temporary (1986- June 1992) 0.1% sales tax for cities over 140,000 (Seattle, Spokane, Tacoma) for well-defined highway projects.

**HB 1037 - Transportation revenue increase (1987-not enacted)**

The proposal originally called for a seven-cent gas tax increase effective July 1, 1987 and a 0.3% motor vehicle excise tax (MVET) increase split between the ferry system (0.2%) and the state patrol (0.1%). The proposal was reduced to a five-cent gas tax increase effective July 1, 1988 (3 1/2 cents) and July 1, 1989 (1 2/3 cents). The MVET increase was reduced to 0.2%.

**SB 5129 - First Avenue South Bridge tolls (1987-enacted)**

Permitted the City of Seattle and WSDOT to conduct a study to determine whether it was feasible to collect tolls on the existing First Avenue South Bridge to pre-fund construction of a new bridge.

**HB 1817 - Local Transportation Act - transportation impact fees authorized (1988-enacted)**

Authorized local governments to develop and adopt programs to jointly fund, from public and private sources, transportation improvements necessitated by economic development and growth within their jurisdictions. Authorized the use of transportation impact fees - requiring developers to pay a transportation impact fee for off-site transportation improvements not yet constructed and for those jointly-funded improvements constructed since the commencement of the program.

**SB 6464 - Gas tax increase (1988-not enacted)**

A nine-cent gas tax was proposed, five cents beginning July 1, 1988 and four cents on July 1, 1989. The Senate Transportation Committee passed a seven-cent gas tax increase. The Transportation Improvement Board (TIB), creation was originally included in this bill, but was pulled out when the bill died and put in HB 1857, which did pass.

**HB 1863 - Funding the state transit and carpool system (1989-not enacted)**

The four largest counties (King, Pierce, Snohomish, and Spokane) and counties adjoining them, which had within their boundaries a portion of the transit and carpool system (HOV) planned but not yet constructed, could have imposed a business tax on all employers in the county to aid in completing the transit and carpool system.

**SB 6358 - Revenue package (1990-enacted)**

Five cent gas tax increase (four cents in 1990, one cent in 1991) distributed as follows:

(known as the normal distribution):

<b>1990: WSDOT</b>	1.00 (one cent)
Cities	.50 (half a penny)
Counties (regular distribution)	.30

County Arterial Preservation Program (CAPP)	.45
TIB	1.50
Counties - Rural Arterial Program (RAP)	.25
<b>1991:</b> WSDOT -Special Category C	.75
Counties -regular distribution	.25

Other highlights included:

- changed MVET percentage from 2.454% to 2.0%. This change was revenue neutral. The new 2.0% was based on the manufacturers suggested retail price (MSRP) instead of the actual cost and blue book value,
- MVET surtax of 0.2% - dedicated to the newly created transportation fund for transportation purposes (for a total MVET of 2.2%),
- Reduced MVET transit match from 1.0% to .89% (now stands at .725%),
- increase gross weight fees for trucks by 40%,
- local option taxes:
  - 1) gas tax to 10% of the state rate - requires public vote, counties impose, share revenue with cities,
  - 2) vehicle license fee (VLF) up to \$15 per vehicle - counties impose, no public vote required, share with cities,
  - 3) commercial parking tax (on operators) - cities or counties can impose, no public vote required,
  - 4) street utility on residential and commercial - up to \$2 per month - cities impose, no public vote required. (*later declared unconstitutional*)
- tolls on Hood Canal Bridge and Maple St. in Spokane eliminated.

### **HB 1825 - High capacity transit (HCT) systems (1990-enacted)**

To accelerate high occupancy vehicle (HOV) lane development on state and local arterials, the four largest counties (King, Pierce, Snohomish, and Spokane) and counties abutting them were authorized, with voter approval, to levy some local taxes:

1. employer tax (up to \$2/per employee per month),
2. up to a 15% local MVET except on heavy trucks,
3. employer tax credits for programs designed to reduce single-occupant vehicle trips and for employer-subsidized bus passes.

To fund **high-capacity transit systems**, transit systems were authorized, with voter approval, to levy (the authority given to the RTA – later Sound Transit):

4. up to a \$2 employer tax (superseded by HOV employer tax),
5. sales/use tax up to 1%,

6. MVET up to .8% (reduced by the HOV lane tax rate authorized for HOV development)

**HB 1341 - Local option taxes - international border counties (1991-enacted)**

Cities/towns within ten miles of international border crossing (Blaine and other cities) could impose, with voter approval, a one cent gas tax for additional maintenance (this local option was enacted to capture the large number of Canadians crossing the border to buy gas).

**HB 2151 - High Occupancy Vehicle (HOV) lane funding (1991-enacted)**

The high capacity transportation (HCT) legislation of 1990 (*HB 1825*) was amended to permit HCT taxing authority to be used for HOV lane development and for supporting services necessary to implement HCT systems.

**HJR 4211 - Amend 18th amendment (1991-not enacted)**

Ballot issue would have expanded use of gas tax and vehicle registration fees to include all transportation purposes, not just highway uses.

*This HJR was not sent to the ballot.*

**SB 5962 - Governor Lowry's transportation package (1993-not enacted)**

- Extended sales (and use) tax - 6.5% - to vehicle fuels (effective July 1, 1993),
- Reduced general local option sales tax for HCT from 0.9% to 0.4%,
- Increased fuel tax 10 cents (five cents in 1994 and five cents in 1995),
- Increased the combined license fees on trucks: 20% for vehicles under 8,000 lbs. and 50% for vehicles over 8,000 lbs,
- Removed voter-approval requirement for imposition of local option fuel tax by counties (up to 10% of the state rate),
- Allowed locally-generated revenues from transit systems operations (farebox, advertising) to be used as match for MVET,
- Allowed transit system governing body, after initial voter approval, to create a transit system and impose a sales tax, and to increase the tax rate up to the statutory minimum (0.6%) without voter approval.

**HB 2032 - Highway/ferry construction sales tax transferred (1995-not enacted)**

A percentage of sales (and use tax) revenues collected on highway and ferry construction would have been transferred from the state general fund to the transportation fund.

**SB 6761 - Street utility (1996-not enacted)**

In response to state Supreme Court ruling holding the residential street utility unconstitutional, cities/towns would have been authorized to use portions of their existing property tax levy capacity (junior taxing district levy) for transportation purposes. Required voter approval.

**SB 5480 - City/town transportation funding (1997-*not enacted*)**

Three new local option transportation taxes would have been authorized for cities:

- 1 unused portion of junior district property tax levy with voter approval,
- 2 cities could impose \$15 Vehicle License Fee (VLF) if counties did not, and
- 3 a 0.1 percent sales tax with voter approval.

**HB 1014 - Repeal sales tax on highway/ferry construction (1997-*not enacted*)**

State, county, and city sales and use taxes on highway construction and ferry contracts would have been repealed.